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THE INTERIM

The Monthly Report of Legislative Activity

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Montana Legislative Council

MAY 1992 HELENA, MONTANA Vol. VIII No. 12

SUBCOMMITTEE ON STATE-OWNED AIRCRAFT

Subcommittee Holds First Meeting...The Joint Subcommittee on State-Owned Aircraft held its first meeting on Monday, April 6. Rep. Bob Gilbert was elected chairman and Sen. Bob Williams was elected vice-chairman. The Subcommittee heard the preliminary results of a survey of state agencies regarding state-owned aircraft and the use of charter services. Agency directors were present to answer questions about their completed surveys and to offer comments on the study itself.

The Subcommittee asked for information on a number of different topics: federally-owned aircraft that are operated by state agencies; the chartering of aircraft by agencies that own aircraft; aircraft insurance; number of accidents over last 5 years; experience of other states; and use of charter planes v. state planes for passenger transportation.

Seeks Information on Operating Costs...The Subcommittee asked the agencies that own aircraft to meet with some of the Subcommittee's members on May 15 to work on developing a uniform formula for determining the costs of operating aircraft. The Subcommittee is especially interested in how the agencies figure insurance, depreciation, and pilot expenses into the costs of operating aircraft.

Subcommittee to Meet in July...The Subcommittee tentatively scheduled its next meeting for July 9 or 10.

PLEASE RETURN

LEGISLATIVE FINANCE COMMITTEE

Committee Meets in April...The Legislative Finance Committee met on April 7 to discuss and take action on a number of staff reports. It will hold a two day meeting on June 23-24 to continue discussion on these and other topics.

Budget Amendments...The executive branch, university system, and one legislative approving authority submitted 48 budget amendments totalling $24.0 million. After extensive discussion of several amendments, the Committee voted that most of these amendments met the statutory criteria. However, the Committee voted unanimously that amendments submitted by the university system to increase fiscal 1992 spending authority by $3.8 million tuition and fee revenue did not meet statutory criteria. The additional revenue resulted from higher-than-anticipated enrollment at five of the six units and an increase in miscellaneous revenue collections.

To date this biennium, the executive and other approving authorities have submitted 191 budget amendments to add $37.1 million spending authority and 123 FTE.

Proposed Supplemental Requests...Under legislation passed during the January 1992 special session, the Legislative Finance Committee reviews all requests submitted by the Governor to transfer spending authority from the second year of the biennium to the first year (supplementals). At the April 7 meeting, the Committee reviewed the executive request to increase the Property Assessment Division's fiscal 1992 general fund spending authority by up to $975,000. The Department of Revenue has stated that it will need a supplemental appropriation of approximately $1.5 million general fund from the 1993 legislature in order to complete the current reappraisal cycle by the statutory deadline (December 1992). After discussing the history of recent reappraisal cycles and implementation of the division's computer-assisted mass appraisal system, the Committee voted that the request met the statutory criteria.

Through mid-March, nine other state agencies had notified the Governor that they may need to transfer an additional $1.0 million of spending authority into fiscal 1992. The executive branch will review agency requests and present its recommendations to the Committee at the June 23-24 meeting.

Six-Month Vacancy Rule...The Committee reviewed implementation of the HB2 provision requiring that the OBPP approve the filling of any executive branch position that has been vacant more than 6 months. Through April 22, OBPP had deleted 234 FTE, approved the reinstatement of 124 FTE, and denied filling 9 FTE. Executive branch agencies have

not requested reinstatement of 101 positions that have been vacant for 6 months or more.

Historical Revenue and Expenditure Report...Culminating more than 2 years of work, LFA staff presented a report detailing total, general fund, and school equalization account revenue collections and expenditures during the period 1979 through 1991. The report includes six summary sections describing trends in revenues and expenditures during the period. It also includes over 100 pages of background data on these topics. The report is intended to serve as a reference document for legislators, state agencies, and the public. Later this spring, the report will be bound and mailed to all legislators.

Montana Science and Technology Alliance (MSTA)...The 1985 legislature created the MSTA to strengthen and diversify Montana's economy through investments in science and technology. The 1989 and 1991 Legislatures authorized MSTA to invest $12.6 million from the permanent coal trust fund in seed capital and research and development projects. Prior to 1990, MSTA funded projects with general fund and alternative energy account funds. The program's operating costs continue to be funded from the general fund.

During the seven years MSTA has been in existence, the program has spent $2.6 million for administrative costs and grants and invested $6.8 million. Total direct return on investment through 1991 has been a loss of $71,294.

MSTA has collateral for only three of its 14 seed capital loans; no collateral has been required for over $2.4 million of state loans. To date, $90,000 of the state's investment has been lost due to the failure of three seed capital companies. Under current statute, seed capital loan repayment may be deferred for up to 8 years, to allow companies to use revenue as working capital. Since the maturity dates for most of these loans range from 1995 through 1999, no return on the $3.2 million of state funds loaned to seed capital companies is required in the near future. There is no maturity date or repayment schedule established for MSTA research and development loans and no collateral is required. Under current statute, the state receives return on these investments through a percentage of the income stream derived from the sale or other commercialization of products or processes developed with MSTA financing. Since 1986, MSTA has invested $2.5 million in research and development loans and received $4,819 in return.

According to MSTA staff, investments are not anticipated to provide significant returns for the next 3 to 7 years. During this period, the state forgoes interest that would be received if the $12.6 million of permanent coal trust funds were invested in conventional securities. Based on MSTA's projections for investment of the funds and Wharton Econometrics estimates for interest rates, the general fund and school equalization account will lose $3.0 million in interest from these

investments during the period fiscal 1992 through 1996. The MSTA program is based on the assumption that future returns on these investments will more than compensate the state for the interest foregone during this period.

MSTA staff state that these investments are returning substantial indirect benefits to the state in the form of jobs, wages, project-generated revenues, matching funds, and non-owner equity investments. The Legislative Finance Committee directed staff to verify job and wage data associated with MSTA investments through state records.

Next Meeting in June...The Committee's next meeting will be on June 23-24. Part of this meeting will be held jointly with the Revenue Oversight Committee to hear staff reports on preliminary projections for the 1995 biennium budget, highways funding, and general fund cashflow issues.

INFORMATION PROCESSING TECHNOLOGY SUBCOMMITTEE

Subcommittee Holds April Meeting...The Subcommittee on Information Processing Technology in Montana state government (HJR 48) met April 6. The Subcommittee heard reports on rate establishment for computer services, the disaster recovery plan for the state mainframe computer, and summaries of the Regents' Employees Reporting, Criminal Justice Information Network, State Lands Trust Land Management, and the Job Service computer systems. The Subcommittee considered issues of subsidization of data network services from mainframe computer processing revenue; the separation of computer services operating funds from equipment funding reserves; and legislative oversight of computer services policy and budget issues.

DofA Works on Disaster Recovery Plan...The Department of Administration (DofA) recently awarded a contract to provide a "hot site" to run mainframe applications in the event of a disaster that disables the state mainframe computer. The next phase of the disaster recovery plan may be included in a budget request to duplicate the telecommunications and data network control center to enable those functions to be ongoing in the event of a disaster. There is no statewide disaster recovery plan for applications run on computers in departments other than DofA.

To Meet Again in June...The HJR 48 study subcommittee will convene again in June. DofA will discuss policy and goals of administration of computer services and staff will prepare a report evaluating DofA fulfillment of its role. The Department of Social and Rehabilitation Services will discuss the recently implemented Economic

Assistance Management System (TEAMS) and the Department of Revenue will review the Computer-Assisted Mass Appraisal System (CAMAS) being used for the first time to appraise property. The Subcommittee will consider statutes defining and governing computer crime and begin preparation of its report to the 1993 legislature.

COMMITTEE ON POSTSECONDARY EDUCATION POLICY AND BUDGET

Committee Holds April Meeting...The Committee on Postsecondary Education Policy and Budget met on April 24, in the State Capitol. The Committee discussed the Commitment to Quality effort and were given a general overview of some of the methods proposed by the campus presidents to meet their Commitment to Quality funding and student FTE targets. The Committee agreed to meet after public hearings on the proposals by the Board of Regents and prior to the Board's meeting in June (when final decisions on the campus proposals are expected to be made) to discuss the Committee's response to the proposals.

Committee Hears Reports...The Committee also heard reports on the role of the military in the provision of education in Montana by Adjutant General Gary Blair, and on recent tuition increases adopted by the Board of Regents. The Committee received updates on nursing education, the Montana telecommunications network (METNET), and the Experimental Program to Stimulate Competitive Research (EPSCoR) of the National Science Foundation. The Committee also discussed administrative expenses, duplication of programs, and transferability of credits in the Montana University System. The Committee requested that the Commissioner of Higher Education present a report on duplication of programs at the next committee meeting and directed staff to work with the Commissioner of Higher Education to compile and analyze data on MUS administrative expenses.

To Meet Again in June...The next meeting of the Committee will be on June 5, 1992 in Room 104 of the State Capitol in Helena.

LEGISLATIVE AUDIT COMMITTEE

Audit Committee Meets...The Legislative Audit Committee met April 24 and 25, 1992 in Room 108 of the Capitol Building. The following reports were presented:

Financial-Compliance Audits

Department of Commerce

The financial-compliance audit report for the two fiscal years ending June 30, 1991, contains nine recommendations. The recommendations address: (1) state compliance issues including spending in accordance with approved operating plans, requiring licensing boards to set fees commensurate with costs and preparing a county collections manual; (2) accounting issues including duplicate payments; and (3) compliance with federal regulations. An unqualified opinion was issued on the Department's Schedule of Changes in Fund Balance, Schedule of Budgeted Revenue and Schedules of Budgeted Program Expenditures.

Department of Livestock

A financial-compliance audit of the Department of Livestock for the two fiscal years ending June 30, 1991, resulted in an unqualified opinion on the Department's financial schedules prepared from SBAS. The report contains 10 recommendations addressing the department's special revenue fund balance, prior audit recommendations, brand registration collections, internal controls, and state compliance.

State Compensation Mutual Insurance Fund

An annual audit of the State Compensation Mutual Insurance Fund for fiscal year 1990-91, as required by section 39-71-2361, MCA, includes an unqualified opinion on the financial statements of the State Fund and four recommendations on issues of compliance and disclosures related to cash flow in the Old Fund and to public participation in the rulemaking process.

Department of Family Services

The financial-compliance audit report for the two fiscal years ending June 30, 1991 contains 22 recommendations. Items addressed in the report include: strengthening internal control systems; using non-General Fund money first in accordance with state law; accounting for financial activity in accordance with state law; complying with operating budget requirements; and establishing adequate procedures for determining foster care eligibility in accordance with federal regulations. The Auditor did not express an opinion on the Schedule of Additions and Deductions to Agency Fund Property Held in Trust for Mountain View School Resident Trust Accounts. The Auditor issued a qualified opinion on the Schedule of Budgeted Revenue and Transfers In - Estimate and Actual and an unqualified opinion on the remaining financial schedules.

Department of Social and Rehabilitation Services
A financial-compliance audit of the Department of Social and Rehabilitation Services for the two fiscal years ending June 30, 1991, contains 19 recommendations concerning strengthening systems to improve controls, unreconciled special revenue fund balances, and compliance with certain state and federal laws and regulations.

Department of Fish, Wildlife and Parks (Limited Scope)
This limited scope review was requested by department management. Items addressed in the report concern enhancing compliance with department policy and improving accountability and administration for leasing operations.

Montana Council on Vocational Education
A financial-compliance audit of the Council for the two fiscal years ending June 30, 1991, resulted in an unqualified opinion on the Council's financial schedules and made no recommendations.

Department of Transportation (formerly Department of Highways)
A financial-compliance audit of the department for the two fiscal years ending June 30, 1991 contains an unqualified opinion on the financial schedules and 12 recommendations. The recommendations address using sick leave and vacation benefits in conjunction with workers' compensation benefits; complying with appropriation requirements; submitting project modification requests in a timely manner; communicating its local government audit needs to the Department of Commerce; calculating and using its payroll additive rate properly; fully implementing controls to ensure that equipment usage charges are proper and adequately supported; preventing and detecting *prorata* input and contractor payment coding errors; and complying with state accounting policy regarding revenue and expenditure classifications and accruals.

Department of Administration
The report on the audit of the Department of Administration for fiscal years 1989-90 and 1990-91 contains an unqualified opinion on the financial schedules and eight recommendations to department management. The recommendations cover issues concerning architecture and engineering appropriations and fees, electronic data processing security, collateral on state deposits, and accounting issues.

Board of Regents and Commissioner of Higher Education
A financial-compliance audit of the Board of Regents and Commissioner of Higher Education for the two fiscal years ending June 30, 1991, contains five recommendations. Four recommendations address compliance with federal requirements governing matching funds, subrecipient monitoring, and allowability of

expenditures charged to federal programs. The state compliance issue addresses the reversion of excess appropriation authority. An unqualified opinion was issued on the financial schedules.

EDP Audit

Department of Transportation

An EDP audit of the Department of Transportation was conducted to determine if the Department properly protects, maintains, and preserves the integrity of data in its computer-based information resources. The adequacy of the Department's implementation of general and application controls was reviewed. Overall the EDP audit identified weaknesses in the Department's establishment of general and application control. The report contains 17 recommendations to the Department. These recommendations address improving access controls over computer programs and data, and implementing control procedures to ensure data integrity.

Performance Audits

Photocopy Machine Procurement Methods, Department of Administration

A performance audit of state photocopy machine procurement methods was conducted that examined the three methods available for procuring photocopiers: cost per copy contract, multi-vendor term contract, and copiers acquired by individual competitive bids. The report contains four recommendations addressing expansion of photocopier contracts to additional cities, evaluating photocopier contract coordination options, and designing a cost and needs analysis procedure to help agencies procure the most cost-effective copiers to meet their needs. A follow-up to a 1987 audit of the Photocopy Pool at Publications and Graphics Bureau was also conducted. The follow-up found that all of the recommendations made in 1987 had been implemented.

General Services (Follow-up)

The Performance Follow-up of General Services Division (GSD) (92SP-45) was based on two performance audits completed in 1988. One audited GSD administration of custodial, maintenance, and security services. The other reviewed state agency facility and space allocation/utilization throughout the Helena area. The follow-up evaluated the progress and status of 12 recommendations. All areas reflected management improvement. Additionally, GSD cost analysis data was reviewed confirming the cost effectiveness of contracted custodial and security services.

Other Business...A discussion was held regarding a letter received from the House Committees on Judiciary and Human Services requesting a Performance Audit at the Montana State Prison. The Audit Committee decided the office will monitor and compile reports of disturbances at the prison.

Will Meet in May...The next meeting of the Legislative Audit Committee is tentatively scheduled to be held May 22, 1992.

LEGISLATIVE COUNCIL

Council Meets in April...The Legislative Council met on April 14 in Room 104 of the State Capitol. Issues relating to personnel were the major topic of discussion.

Classification Reviews and Appeals Considered...Division directors received requests for the review of four position classifications in accordance with the Council's pay plan. After some investigation, the directors recommended that changes be made to three of the positions. The Council accepted the recommendations.

Directors' Job Descriptions on Agenda for Next Meeting...The directors' job descriptions will be mailed to Council members for their review prior to the next meeting. The job descriptions will be considered for approval at the next meeting.

Legislative Orientation Discussed...The Council discussed the recommendations of the Orientation Subcommittee. The proposal is that legislative agencies, committees, and state agencies would provide informational displays, in the manner of a fair, in the Capitol before and during presession caucuses. The Council will continue the discussion at the next meeting.

Budget Development Process Under Way...Bob Person suggested that the Council meet once a month between now and September to review budget preparation in accordance with the Council's desires.

Other Business...The Council heard a report on the reassignment of research work as a result of staffing circumstances; accepted operating budget amendments necessitated by the special session; presented longevity pins to five staff persons; heard an update on the new process for submitting reports to the legislature; and discussed administration bill drafting with Steve Yeakel.

Next Meeting in May...The Council has set May 18 as a tentative date for its next meeting.

SUBCOMMITTEE ON MANDATED HEALTH INSURANCE BENEFITS

Subcommittee Meets in Great Falls...The Subcommittee on Mandated Health Insurance Benefits met in Great Falls at the Vo-Tech Center on Friday, April 2. The main topic of discussion was the proposal to create a commission to review mandated benefits. In the morning, the Subcommittee heard from representatives of the Great Falls medical and mental health communities. Some of the issues brought up by the speakers included: separate representation on the commission for hospitals; possibility of two mental health representatives and no medical representative on the commission; cost of preparing an analysis of a mandated benefit; size of the commission; and hiring of a neutral third party to review mandated benefits instead of a commission.

Subcommittee Revises Proposal...The Subcommittee spent the afternoon revising the review commission proposal based on the comments heard during the morning and on some concerns expressed by the staff researcher regarding the definitions of allied health professional, medical treatment facility, and mental health community. After much discussion the Subcommittee made the following changes to the proposed review commission: adopted definitions for health care facility and health care provider; allowed an insurance agent to serve as a member; designated the Insurance Commissioner and the director of the Department of Health & Environmental Sciences as nonvoting members; retained legislative representation; and required that the representative of health care facilities be an administrator.

Constitutionality of Proposal Is Questioned...At the Billings meeting (Feb. 7), the Subcommittee had expressed concern over the constitutionality of requiring the review of legislative proposals in advance of a legislative session. The staff attorney investigated this concern and reported in Great Falls that he could find no legal problem with the forming of this review commission.

Subcommittee Seeks Written Comments on Proposal...The Subcommittee asked staff to make the changes to the review commission proposal and then mail the revised proposal to all interested persons for written comments. The Subcommittee requested that the comments be returned no later than June 1. At that time the Subcommittee will decide on its final meeting date.

SELECT COMMITTEE ON WORKERS' COMPENSATION

Committee Holds Fifth Meeting ... The fifth meeting of the Select Committee on Workers' Compensation was held on April 28. The Committee heard a staff report on the Committee's March recommendation to impose a 1% payroll tax on employers and employees. The purpose of the tax is to retire the unfunded liability, estimated at $433 million, in the "Old Fund" in 5 years. The Committee directed the Legislative Auditor to prepare a Request for Proposal pertaining to turning over the management of "Old Fund" files to a private third party rather than having the State Fund continue to handle the files. The majority of the meeting was devoted to testimony by various State Fund personnel concerning the present fiscal status of the Fund and proposals to improve the Fund's performance.

Committee to Meet Again ... No definite date has been set for the next meeting, but the Committee is contemplating meeting in late June or early July.

SUBCOMMITTEE ON SCHOOL FUNDING

Subcommittee Discusses Administrative Costs...The fourth meeting of the Joint Interim Subcommittee on School Funding was held Monday April 27, 1992, in Helena. Wayne Buchanan, Executive Director of the Board of Public Education, reported to the Subcommittee on the relationship between school district administrative costs and the accreditation standards adopted and revised by the Board of Public Education. The staff of the Office of Public Instruction shared an analysis of school district administrative expenditures in various school budgets, as reported in the 1990-1991 Trustees Financial Summary. The analysis indicates that, within the $712 million spent in all budgets, about 11 percent is dedicated to direct administrative costs; fifty-seven percent is spent on instructional salaries. The School Administrators of Montana presented their perspective on school district administrative costs.

Subcommittee Hears Report on History of School Foundation Program...In the afternoon, staff reported on the development of the school foundation program schedules and historical picture for state equalization aid revenue and an overview of funding schedules in rural western states. This report by Andrea Merrill, staff researcher, is entitled The Montana School Foundation Program and State Equalization Aid: A Legislative and Financial History and is available to legislators upon request.

Subcommittee Expresses Interest in National School Reform Movement...Chairman Blaylock invited Superintendent Nancy Keenan to speak briefly about the recent Business Roundtable analysis of Montana schools. Senator Blaylock and Superintendent Keenan expressed interest in working with that national group to develop a legislative school reform agenda. The Subcommittee agreed to hear, at a summer meeting, the results of any consensus reform package that may result from meetings between the Business Roundtable, the education community, and other interested parties.

Will Meet Again in June...The Subcommittee will meet again on Saturday June 13, 1992, to review draft legislation on the equalization of school facility funding with guaranteed tax base aid.

COMMITTEE ON THE MONTANA STATE HOSPITAL

Committee Begins Final Deliberations...The Committee on the Montana State Hospital entered the problem resolution phase of its work during its sixth meeting of the interim, April 27, 1992. The Committee heard public testimony outlining the Galen/Warm Springs Task Force's position on present and future uses of the Montana State Hospital campuses at Galen and Warm Springs. Ms. Mona Sumner, Committee member and Associate Director at the Rimrock Foundation in Billings, presented an overview of the components of a comprehensive chemical dependency system and summarized issues for the Committee's consideration.

Committee Develops Preliminary Recommendations...During an executive working session, Committee members worked to develop preliminary recommendations regarding current and future programs at Galen and Warm Springs and needs within the mental health and chemical dependency systems statewide.

The Committee took the following actions as preliminary steps to developing final recommendations:

- voted 11 to 1 that an independent peer review be conducted of the acute care hospital at Galen to determine the capability and necessity of the facility. A subcommittee consisting of Chairman Lynch, Rep. Messmore, Jane Edwards, Mona Sumner, and Jack Haffey was appointed to select a peer reviewer and to define the scope of the review. The subcommittee will attempt to accomplish the selection of the reviewer prior to the next meeting of the full Committee.

- due to a close vote with 4 members absent, postponed a vote on a motion to recommend that the state study the feasibility of using the Galen or Warm Springs campuses as an AIDS treatment center.

- voted 11 to 1 to recommend that the state continue to operate an in-patient chemical dependency program at Galen as part of a comprehensive public and private system of care.

- due to a close vote with 4 members absent, postponed action on a motion to recommend the state discontinue the nursing home at Galen.

- voted 12 to 0 to recommend that the mission of the Montana State Hospital at Warm Springs be to serve persons with a disabling mental illness in the least restrictive environment possible within a comprehensive continuum of care, and to further consider what services should be developed to serve populations that have historically been served at the state hospital because they have had no other place to go.

- voted 13 to 0 to include in the Committee's final recommendations a recommendation (to be further developed) that case management and crisis intervention programs within the community mental health regions be expanded.

Committee Asks for Additional Information...The Committee asked for additional information in the following areas: the cost of out-of-state placements for children and adolescents; the cost of additional case managers statewide and crisis intervention teams in each region modeled after the Kalispell mobile reaction team and safehouse; how North Dakota's mental health services are being utilized in the Eastern Montana Mental Health Region; and, a list of changes made or being made by the Montana State Hospital at Galen and Warm Springs that are or are not part of the Ihler compliance plan.

Will Meet Again in May...The Committee will continue to develop its preliminary recommendations at its next meeting, tentatively set for Tuesday, May 19, 1992, in Room 104 of the State Capitol. However, the date and place of the meeting is subject to change.

SUBCOMMITTEE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Subcommittee to Meet May 11...As reported in the April issue of *The Interim*, the Joint Subcommittee on Public Employee Retirement Systems will meet on Monday, May 11, 1992, in Room 104 of the State Capitol to discuss the possible creation of a permanent committee on retirement issues, including the composition and authority of such a committee.

To Meet in August to Discuss COLAs...The Subcommittee is tentatively scheduled to meet again on August 3, 1992, to discuss cost-of-living adjustments for retirees.

REVENUE OVERSIGHT COMMITTEE

Public Forum on May 14...The Revenue Oversight Committee will conduct a public forum beginning at **9:15 a.m.** on **Thursday, May 14** in **Room 325** (Old Supreme Court Chambers) of the State Capitol. The purpose of the forum is to solicit public comment on criteria that the Legislature should consider in determining a "good" tax system, a "good" tax reform package, or a "good" tax bill. The forum is a follow-up to a report presented to the Committee that described four broad criteria for judging a "good" tax system: (1) adequacy of revenue; (2) equity; (3) economic efficiency; and (4) simplicity.

The Committee has invited representatives from the Montana Chamber of Commerce, the Montana State AFL-CIO, the Montana Alliance for Progressive Policy, University of Montana faculty, the Montana Newspaper Association, the Montana Farmers Union, the Multistate Tax Commission, two tax reform groups, and a member of the general public. Each invited participant has been asked to make a 10- to 15-minute presentation on criteria for judging a "good" tax system. Following these presentations the Committee will accept public comment related to the information presented. The final part of the forum will be a loosely structured round table discussion among the Committee members and the invited participants.

The public is invited to attend the forum and is encouraged to participate in what should be an informative and lively discussion. For additional information, please contact Jeff Martin of the Legislative Council at 444-3064.

Regular Meeting on May 15...The Committee will meet at **9:00 a.m.** on **Friday**, May 15 in **Room 104** of the Capitol to conduct its regular business. Items on the agenda include (1) a background report on the Montana state retirement systems and a report on other states' responses

to the Davis decision on taxing retirement income; (2) an update on revenue collections for the general fund and school equalization account; (3) a report on governmental services provided on Indian reservations; and (4) Montana Association of Counties response to a legislative audit regarding the taxation of interstate motor fleets.

Department of Revenue Reports...The Committee will also hear the following Department of Revenue reports:

- Litigation report
- Rules on tax credit for investment in property to recycle reclaimable materials
- Shifts between working interest and royalty interest for severance tax purposes in oil and gas production
- Progress report on the reappraisal cycle
- Forest land value schedules
- Agricultural Advisory Committee revised numbers
- Computerization of personal property values
- Dept. of Revenue budget modifications
- Rebidding for liquor store leases

ENVIRONMENTAL QUALITY COUNCIL

Environmental Quality Council Holds April Meeting...The Environmental Quality Council (EQC) met in Helena on April 3. A number of important issues were discussed.

Hazardous Waste Management...The Council heard panel discussions regarding the cleanup project in Livingston and on proposals to burn hazardous waste-derived fuel in cement kilns. Representatives from state agencies, industry, and concerned citizens presented their perspectives on these issues. The Council will hear updates on these issues at future meetings.

Board of Oil and Gas Conservation...Representatives of the Board of Oil and Gas Conservation updated the Council in April on the Board's current and future environmental protection rulemaking activities for oil and gas drilling operations. The Council will receive a staff update on this issue at the May meeting.

Other Issues...Also at the April meeting, the Council considered the Solid/Hazardous Waste Regulatory Overview project and the state water quality nondegradation policy.

EQC to Meet in Big Fork...The next EQC meeting is scheduled for Thursday and Friday, May 14 and 15, in Big Fork, Montana. The Council will tour timber harvest and lakeshore sites on Thursday afternoon, will receive Montana Environmental Protection Act (MEPA) training Thursday evening, and will conduct regular Council business on Friday. The MEPA training and regular Council meeting will be held at the Kootenai Gallery in Big Fork. For specific information regarding the Council tour schedule or the regular meeting, please contact EQC staff.

Energy Policy Study...The EQC HJR 31 subcommittee will meet on Wednesday May 13 to discuss the next steps in developing an ongoing energy policy development process and to evaluate the comments received on the draft energy policy analysis methodology. The methodology would be used by policymakers and citizens to identify and compare the tradeoffs among various energy policy alternatives and proposed legislation.

At its meeting on May 15 the EQC will receive a report from the HJR 31 subcommittee and a presentation by Pacific Power and Light on how that company has incorporated environmental goals into its operations.

Lakeshore Development Study...In April the Council's Lakeshore Study Subcommittee held public hearings on lakeshore protection and development in Kalispell and Helena. Based upon testimony at the hearings, the full Council selected the issues of water quality, noise, shoreline erosion and revision of the lakeshore statute for further study. At its May meeting, the Council will receive reports on each of these issues and will discuss preliminary response options.

Forestry...On May 14 the EQC will tour the Plum Creek Timber and Swan State Forest lands in the Swan Valley. At its meeting the following day the Council will receive updates on the Flathead Basin Commission's forest practices and water quality study modules and on rulemaking for the HB 731 Streamside Management Zone Act.

Other Issues...The EQC will also address, apart from the issues already mentioned, the State Water Plan, the Environmental Problems/Risk Assessment project and again consider the Solid/Hazardous Waste Regulatory Overview.

For an agenda or more information regarding these issues please contact the EQC staff.

WATER POLICY COMMITTEE

Committee to Meet in May...The next Water Policy Committee meeting will begin at 8:30 a.m., Friday, May 8, 1992 in Room 104 of the State Capitol.

Dam Safety Public Hearing...To facilitate public involvement in the Dam Safety Study, the Committee has scheduled a public hearing on dam safety issues at 1:30 p.m., May 8, 1992. After this hearing the Committee will analyze all public comment received and begin formulating final recommendations for its report to the 1993 Legislature.

Geothermal Resources...The Committee will review the Geothermal Study to date and begin formulating preliminary recommendations for public comment.

Water User Studies...The Committee will review and discuss the draft reports for the Department of Fish, Wildlife, & Parks recreational water user fee study and the Department of Natural Resources water user fee study.

Other Agenda Items...Other agenda items include a continuation of the Water Reservation Study, updates on water leasing program, Upper Missouri reservation process, Blackfeet water rights and Fort Peck Compact issues, and a review of the public comment on the State Water Plan Water Quantity/Quality draft sections.

For an agenda or more information on these issues please contact the EQC staff.

COMMITTEE ON INDIAN AFFAIRS

Committee to Consider Legislation...The Committee on Indian Affairs will meet on Monday, May 11 in Room 108 of the State Capitol, beginning at 10:00 a.m. The Committee will devote most of the meeting to discussing legislative proposals for the 1993 session. The Committee will also hear from the Department of Revenue on the progress of the taxation negotiations with tribal governments and on the need for legislation to implement any completed agreements.

Other Business to Be Conducted...The Committee will also recommend a budget for FY 1994-95 and decide on a future course of action for the sentencing disparity study.

Committee to Meet on Reservation...The final meeting of the Committee will be held in August on one of Montana's seven Indian reservations. The decision on where and when the next meeting will be held will be made at the May 11 meeting.

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Subcommittee to Hold Special Meeting...All legislators are encouraged to attend the Thursday May 7, 1992, special meeting of the Subcommittee on Children and Families. The National Conference of State Legislatures is sponsoring a visit by Charles Bruner who, as a longtime Iowa state senator, developed expertise on efficient delivery of state services to children and families. The purpose of the meeting will be to cultivate consensus on a legislative package that will promote collaboration among service delivery agencies and augment the federal and private money Montana may be able to capture for children and family services. The meeting will be held in Helena at the Colonial Inn, beginning at 9:00 a.m.

LUNCHEON RESERVATIONS REQUIRED...If you plan to attend this event, please call your luncheon reservation in to **444-3073**, or contact Andrea Merrill at 444-3064 for more information. The cost of lunch will be $7.50.

Subcommittee to Hold Regular Meeting on May 8...The Subcommittee will meet on Friday, May 8 for a half-day to hear reports from the Department of Family Services. The meeting will begin at 8:30 a.m. in Room 108 of the Capitol.

DISTRICTING AND APPORTIONMENT COMMISSION

Commission Completes Two Public Hearings...The Districting and Apportionment Commission has completed public hearings for two regions. The Commission has adopted Plan 100A for the Northwest Region of Lincoln, Lake, Flathead, and Sanders counties. The Commission heard testimony on the Western Region comprising Missoula, Ravalli, and Mineral counties at a public hearing in Missoula on April 24, and will be adopting a plan for that region the first week of May. The Southwest Region includes Powell, Granite, Deer Lodge, Silver Bow and Beaverhead counties and the public hearing on that region will be May 15 in Anaconda.

Tentative Schedule for Remaining Hearings Set...The tentative public hearing schedule for the Commission is included for your information; all public hearings will be held at 7:00 p.m. and the locations will be announced. Staff will be contacting legislators and others approximately one month prior to the public hearing to arrange a visit and work session. Maps of proposed plans will be mailed to the central committees and clerk and recorders approximately 10 days prior to the public hearing. Staff encourages legislators to get together with their state and county central committees and possibly with representatives of the other political party to be prepared prior to the staff visits.

5/15 Public hearing - Anaconda
HD 47, 48, 66, 67, 68, 69, 70, 71, 72, 73, 74

6/24 Public hearing - Shelby
HD 9, 10, 11, 12, 13, 14, 15, 16

7/21 Public hearing - Glasgow HD 17, 18

7/22 Public hearing - Wolf Point HD 19, 20

7/23 Public hearing - Glendive HD 21, 22, 23, 24

7/24 Public Hearing - Miles City HD 25, 26

7/25 Public hearing - Hardin HD 99,100

8/21 Public hearing - Great Falls
HD 29, 30, 31, (32), 33, 34, 35, 36, 37, 38, 39, 40, 41, 42

8/28 Public hearing - Helena
HD (32), (47), 43, 44, 45, 46, 75

9/18-19 Public hearing - Bozeman
HD (74), 76, 77, 78, 79, 80, 81, 82

10/9-10 Public hearing - Billings

HD 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98

THIS SCHEDULE IS SUBJECT TO REVISION.

CENSUS AND ECONOMIC INFORMATION CENTER

Census Data Users Workshop...The Department of Commerce Census and Economic Information Center (CEIC) is hosting a CENSUS DATA USERS WORKSHOP on June 2, 3, and 4, 1992, at the Alladin Motor Inn in Helena. Topics to be covered are:

1990 Census: What's Available and How to Find It (Cost $5.00)
1990 Census: The Impact of the Aging Population (Cost $5.00)
Census Data for Small Businesses and Those Who Serve Them (Cost $10.00)

Registration Required...The workshops are co-sponsored by the U.S. Census Bureau, Area IV Agency on Aging, and the Helena Area Chamber of Commerce. To register, please call the CEIC staff at 444-4302. Registration deadline is May 22, 1992.

INTERIM CALENDAR

May 7, Subcommittee on Children and Families, 9:00 a.m., Colonial Inn, Helena

May 8, Subcommittee on Children and Families, 8:30 a.m., Room 108

May 8, Water Policy Committee, 8:30 a.m., Room 104

May 11, Subcommittee on Public Employee Retirement Systems, 9:00 a.m., Room 104

May 11, Committee on Indian Affairs, 10:00 a.m., Room 108

May 14, Revenue Oversight Committee Public Forum, 9:15 a.m., Room 325 (Old Supreme Court Chambers)

May 15, Revenue Oversight Committee, 9:00 a.m., Room 104

May 14 & 15, Environmental Quality Council, Big Fork

May 15, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Anaconda

May 18, Legislative Council, Room 104

May 19, Montana State Hospital Committee, Room 104

May 22, Legislative Audit Committee

May 25, Memorial Day, holiday

June 2, 3, & 4, Census Data Users Workshop, Helena

June 5, Committee on Postsecondary Education Policy and Budget, Room 104

June 13, Subcommittee on School Funding

June 23 & 24, Legislative Finance Committee, Room 325 (Old Supreme Court Chambers)

June 24, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Shelby

July 4, Independence Day, holiday

July 10, Revenue Oversight Committee, Room 104

July 21, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Glasgow

July 22, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Wolf Point

July 23, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Glendive

July 24, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Miles City

July 25, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Hardin

August 3, Subcommittee on Public Employee Retirement Systems, 9:00 a.m., Room 104

August 21, Districting and Apportionment Commission Public Hearing, 7:00 p.m. Great Falls

August 28, Districting and Apportionment Commission Public Hearing, 7:00 p.m., Helena

Sept. 7, Labor Day, holiday

Sept. 11, Revenue Oversight Committee, Room 104

Sept. 15, All interim study work completed

September 18 & 19, Districting and Apportionment Commission Public Hearing, Bozeman

October 9 & 10, Districting and Apportionment Commission Public Hearing, Billings

Oct. 12, Columbus Day, holiday

Nov. 3, General Election day, holiday

Nov. 11, Veterans Day, holiday

Nov. 20 and 21, Revenue Oversight Committee, Room 104

Nov. 26, Thanksgiving Day, holiday

Dec. 25, Christmas Day, holiday

1993

Jan. 1, New Year's Day, holiday

Jan. 4, 53rd Legislature convenes

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